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THE SANDWICH ISLANDS.

I.—THE ADVANTAGES OF ANNEXATION.

BY LORRIN A. THURSTON, EX-PRIME MINISTER OF HAWAII AND
CHAIRMAN OF THE HAWAIIAN ANNEXATION COMMISSION.

HAWAII is a small country ; so small that it is represented on the average map by a few dots surrounded by crinkly lines ; but height of stature and girth of waist are not the measure of the man, and Hawaii's importance is not based on breadth of acres, although, as a matter of fact, its area is five hundred square miles greater than the combined area of Connecticut and Rhode Island. Located as it is at the "Cross Roads of the Pacific," midway between San Francisco and Japan, and equidistant from nearly all the principal Pacific ports, Hawaii is the Key of the Western Ocean.

There has, until recently, been little to bring this fact to the attention of the average American citizen ; but it has been recognized and acted upon by the most eminent American statesmen during the past sixty years. As years have passed and the policies of intervention and non-intervention with affairs beyond the limits of the Republic have alternately waxed and waned, one consistent and persistent policy has been pursued by the United States concerning Hawaii, viz: *That the preservation of the Hawaiian Islands from the domination or control of any other great nation is essential to the welfare of the United States.*

This policy was initiated by President John Quincy Adams in 1826, when the United States made a treaty with what was then little more than a breech-clouted nation of savages. It recognized the independence of Hawaii, and treated with her as an equal. This, the first treaty recognition, by any of the great powers,

of Hawaiian independence, has been followed by a succession of treaties, and declarations by American statesmen, all tending to the conclusion that the safety of the Pacific Coast and of American interests in the Pacific Ocean require that Hawaii be either American territory or an independent, neutral, friendly power.

In 1842, President Tyler, voicing also the sentiments of Secretary Webster, thus referred to Hawaii in his address to Congress :

"It cannot but be in conformity with the wishes of the Government and people of the United States that this community . . . should be respected, and all its rights strictly and conscientiously regarded; . . . while its nearer approach to this continent, and the intercourse which American vessels have with it. . . . could not but create dissatisfaction on the part of the United States at any attempt by another power to take possession of the islands. . . . Considering, therefore, that the United States possesses so very large a share of the intercourse with those islands, it is deemed not unfit to make the declaration that their Government seeks, nevertheless, no exclusive control over the Hawaiian Government, but is content with its independent existence, and anxiously wishes for its security and prosperity. Its forbearance in this respect, under the circumstances of the very large intercourse of their citizens with the islands, would justify this Government . . . in making a decided remonstrance against the adoption of an opposite policy by any other power."

President Taylor in his message in 1849 said :

"The position of the Sandwich Islands with reference to the territory of the United States on the Pacific . . . render their destiny peculiarly interesting to us. It is our duty to encourage the authorities of these islands in their efforts to improve and elevate the moral and political conditions of the inhabitants. . . . We could in no event be indifferent to their passing under the dominion of any other power. . . . And it is to be hoped that no one of them will attempt to interpose obstacles to the entire independence of the islands."

This was followed, in 1850, by the negotiation and adoption by the two countries of a more elaborate treaty than the original one. In 1851, President Fillmore referred to the islands in his message, expressing the hope that their differences with France might be settled, and continuing :

"Long before the events which have of late imparted so much importance to the possessions of the United States on the Pacific, we acknowledged the independence of the Hawaiian Government. This Government was first in taking that step, and several of the leading powers of Europe immediately followed. We were influenced in this measure by the existing and prospective importance of the islands as a place of refuge and refreshment

for our vessels, and by the consideration that they lie in the course of the great trade which must, at no distant day, be carried on between the Western coast of North America and Eastern Asia."

The occasion for these repeated declarations of principle was the evidently hostile intentions of both England and France toward the islands. In February, 1843, the English actually took possession, and for five months the English flag floated over Hawaii, and all Government business was conducted by a British Commission. A few years later, the French initiated a policy of annexation in the Pacific which it has steadily pursued ever since. All the indications were that the French proposed to extend this policy to Hawaii. So evident were their intentions that the Hawaiian King, Kaméhaméha III., executed a treaty ceding Hawaii to the United States; and forwarded it to Washington with the request for protection against French aggression. Orders were also issued by the Hawaiian Government to hoist the American flag upon the first indication that the French intended to land. Upon the situation coming to the knowledge of Secretary Webster, he announced the American policy by the unequivocal declaration that: "*I trust the French will not take possession, but if they do, they will be dislodged, if my advice is taken, if the whole power of the Government is required to do it.*"

The emphatic position taken by the United States prevented further foreign aggression, and the document ceding Hawaii to the United States, was, after several months detention in the State Department, magnanimously returned to the Hawaiian Government. In 1854 a full treaty of annexation to the United States was negotiated with King Kaméhaméha III., by one of the articles of which Hawaii was to come into the Union as a State. The treaty failed of execution by reason of the sudden death of the King. A few years later, a reciprocity treaty was negotiated with Hawaii, by Secretary Marcy, with no political clause, and a free list far less favorable to the United States than that in the now existing treaty. The treaty was supported by the Senate Committee on Foreign Affairs, but was lost sight of in the mighty struggle over the admission of Kansas and Nebraska. From this time on there were frequent negotiations between the two countries upon the subject of a reciprocity treaty, invariably favored by the American Executive, but opposed by the sugar interests and hampered by the engrossing

questions arising out of Slavery, the Civil War, and Reconstruction.

In 1868, President Johnson recommended a Treaty of Commercial Reciprocity, which had been negotiated by the State Department. The following is an extract from his address :

"It is known and felt by the Hawaiian Government and people that their government and institutions are feeble and precarious; and that the United States, being so near a neighbor, would be unwilling to see the islands pass under foreign control. Their prosperity is continually disturbed by expectations and alarms of unfriendly political proceedings. . . . A Reciprocity Treaty, while it could not materially diminish the revenues of the United States, would be a guarantee of the good will and forbearance of all nations *until the people of the islands shall of themselves, at no distant day, voluntarily apply for admission into the Union.*"

The treaty was not confirmed, however, and negotiations continued from time to time until 1876. In 1875, General J. M. Schofield, then commanding the Division of the Pacific, gave his views to Congress, through Mr. Luttrell, concerning the present treaty, then pending before Congress, as follows :

"The Hawaiian Islands constitute the only natural outpost to the defences of the Pacific Coast. In the possession of a foreign naval power, in time of war, as a depot from which to fit out hostile expeditions against this coast and our commerce on the Pacific Ocean, they would afford the means of incalculable injury to the United States. If the absolute neutrality of the islands could always be insured, that would suffice; but they have not, and never can have the power to maintain their own neutrality, and now their necessities force them to seek alliance with some nation which can relieve their embarrassment. The British Empire . . . stands ready to enter into such an alliance, and thus complete its chain of naval stations from Australia to British Columbia. We cannot refuse the islands the little aid they need, and at the same time deny their right to seek it elsewhere. The time has come when we must secure forever the desired control over those islands, or let it pass into other hands. The financial interest to the United States involved in this treaty is very small, and if it were much greater it would still be insignificant when compared to the importance of such a military and naval station to the national security and welfare."

Admiral Porter at the same time fully sustained the position taken by General Schofield in a communication to Mr. Wood.

In 1876, under President Grant and Secretary Fish, with the active support of prominent statesmen of both parties, a step further in the recognition of Hawaii's importance to the United States was taken, when both Houses of Congress approved of a treaty of reciprocity, giving Hawaii commercial advantages such as had been granted to no other country, and by which the United

States secured from Hawaii the free admission of almost all American products, and an agreement that Hawaii would make no similar treaties with other countries and concede no territory to any other country. The treaty was for seven years, to continue thereafter until after one year's notice by either party.

In November, 1881, General Comly, then United States Minister at Honolulu, reported evidences of British restlessness "on account of the predominance of United States influence and interests in the Hawaiian Islands," and that attempts were being made to extend British power at the islands. In reply, Secretary Blaine sent the following despatch :

" . . . The Government of the United States has with unvarying consistency manifested respect for the Hawaiian Kingdom, and an earnest desire for the welfare of its people. . . . Has always avowed, and now repeats, that under no circumstances will it permit the transfer of the territory or sovereignty of these islands to any of the great European Powers. It is needless to restate the reasons upon which that determination rests. It is too obvious for argument that the possession of these islands by a great maritime power would not only be a dangerous diminution of the just and necessary influence of the United States in the waters of the Pacific; but, in case of international difficulty, it would be a positive threat to interests too large and important to be lightly risked."

A further despatch in December, 1882, reviewed the relations between the United States and Hawaii, using the following words :

" . . . This Government has on previous occasions been brought face to face with the question of a protectorate over the Hawaiian group. It has, as often as it arose, been set aside in the interests of such commercial union as would give Hawaii the highest advantages, and at the same time strengthen its independent existence as a sovereign State.

"The United States was one of the first among the great nations to take active interest in upbuilding Hawaiian independence and the creation of political life for its people. It has consistently endeavored, and with success, to enlarge the material prosperity of Hawaii. On such an independent basis it proposes to be equally unremitting in its efforts hereafter to maintain and develop the advantages which have accrued to Hawaii, and draw closer the ties which imperatively unite her to the great body of the American commonwealth.

"In this line of action the United States does its simple duty both to Hawaii and itself, and it cannot permit such obvious neglect of national interest as would be involved by silent acquiescence in any movement looking to a lessening of those amenities, and the substitution of alien and hostile interests. It firmly believes the position of the Hawaiian Islands, as a key to the dominion of the American Pacific, demands neutrality, to which end it will earnestly coöperate with the native Government; and if, through any cause, neutrality should be found by Hawaii impracticable, this Government would then unhesitatingly meet the altered situation by seeking avowedly an American solution of the grave issues presented."

In 1887, President Cleveland and Secretary Bayard took an active personal interest in the subject, and, with the almost unanimous support of a strongly Republican Senate, renewed the Grant Treaty of 1876, for seven years, against the strong opposition of the sugar interests, and in spite of the fact that the financial benefits of the treaty were, apparently, much greater to Hawaii than to the United States. The extended treaty further granted to the United States the exclusive right to enter the harbor of Pearl River, one of the finest harbors in the world, and to establish and maintain a coaling and repair station there for the use of vessels of the United States.

Mr. Blaine stated in 1892 that there was a growing sentiment at the islands in favor of annexation, and in reply to a question as to how the United States Government would receive such an application said :

“ I consider that the acquisition of the islands is of so great importance to the United States that I cannot conceive of such a proposition being refused.”

The foregoing declarations of the United States and its statesmen, which might be multiplied by scores, show, first, that the “ Hawaiian question,” if it may be so called, has never been made a party one and show, further, that it is political, and not direct financial, advantage which has been the moving cause of the acts done and declarations made. There has always been a certain amount of sentimental regard towards the little country, on the part of its great neighbor, from the fact that American missionaries first introduced Christianity and civilization into the islands, and that hundreds of thousands of dollars were contributed by the American people and spent at the islands for that purpose ; but this cannot have radically influenced the leading American statesmen of all parties for two generations. After making all due allowance for United States philanthropy and generosity, the fact remains that the moving cause of the United States policy towards Hawaii has been the conviction that the possession or friendly neutrality of Hawaii is a political necessity to United States interests in the Pacific. With Hawaii in the hands of any hostile power, the only coaling station from Nicaragua to Hong Kong, from San Francisco to Samoa, would be closed to American cruisers, and made

a centre from which hostile descents could be made upon the Pacific coast, and its commerce destroyed.

The objective point of the several treaties has not been a financial one. The treaty of 1876 was not primarily intended as an experiment in reciprocity, for the purpose of extending American trade. It was distinctly pointed out by the opponents of the treaty, when it was before Congress, and freely admitted by its advocates, that the terms of the compact were, financially, greatly in favor of Hawaii. The object in view was not dollars, but that which dollars would not buy, the creation and maintenance of a friendly neutral State. While the financial aspect of the American policy has only been looked upon, from the American standpoint, as incidental to the main object in view, the opposition to the Reciprocity Treaty has always been based upon the claim that, however successful the treaty was politically, the United States was paying too much for its whistle. There are those to whom a dollar blots out the sun. The facts show, however, that not only has American statesmanship and foresight justified the expectation of securing a political benefit; but that the *direct financial advantages accruing to the United States and its citizens, which they would not have received but for the treaty, have more than repaid, dollar for dollar, all loss by the United States through remission of duties under the Reciprocity Treaty.*

This is a strong statement; but the proof of it is simply a matter of statistics. The following statistics have been compiled from official records wherever they were obtainable. Where not obtainable, the facts have been secured by personal investigation. In order to prove the statement above made, let us, first, credit the United States with all the duties remitted in favor of Hawaii; and, second, debit it with all duties remitted by Hawaii in favor of the United States, and all property acquired by United States citizens as the direct result of the treaty.

The total amount of sugar and molasses exported from Hawaii to the United States under the Reciprocity Treaty from January 1, 1876, to January 1, 1891, has been—sugar, 1,002,085 tons; molasses, 1,693,981 gallons. The average duty on sugar, remitted by the United States, has been, in round numbers, \$40 a ton; and on molasses, four cents a gallon. The export of rice during the same period has been 60,455 tons; and of paddy (uncleaned

rice), 4,457½ tons. The average duty remitted on rice has been \$40 a ton ; and on paddy \$25 a ton. The few other items admitted free by treaty have been exported from Hawaii in amounts insufficient to materially affect the result. The credits on Uncle Sam's books, for remission of duties on Hawaiian products, under the treaty, then are:

| | |
|--|--------------|
| 1,002,085 tons of sugar at \$40..... | \$40,083,400 |
| 1,693,981 gallons molasses at 4 cents..... | 67,759 |
| 60,455 tons rice at \$40..... | 2,418,200 |
| 4,457½ tons paddy at \$25..... | 111,437 |
| Total loss of duties by United States..... | \$42,680,796 |

When the Reciprocity Treaty went into effect in 1876, there were but a few scattered, poorly equipped sugar plantations, most of which were on the verge of bankruptcy, the export of sugar in 1875 having been but 12,543 tons. But for the treaty the sugar business would have continued in the same condition, or, with the aid of East Indian coolies, would have passed under British control, with the consequent development of British influence. The commerce of the country was inconsiderable. The total value of all imports from all countries for 1875 was only \$1,505,000. There were no commercial corporations other than five sugar plantations. There was no regular steam communication with the outside world, and inter-island trade was insufficient to pay the running expenses of one small steamer. There was so little insurable property and so few people who could afford to insure, that insurance cut but a small figure in business.

What the situation was in January, 1891, and what benefits have accrued to the United States and its citizens by reason of the treaty is hereunder partially shown in detail. I divide the benefits into: first, duties remitted by Hawaii; second, profits made and property acquired by Americans. The total value of imports by Hawaii from the United States from January, 1876, to January, 1891, was \$47,603,670, of which \$35,609,995 worth were free by treaty. The duties thereon which would have been collected by Hawaii, and which have been remitted under the treaty, are, in round numbers 10 per cent., amounting to \$3,560,999.

In 1875 the total capital invested in the sugar business was, in round numbers, \$2,000,000, of which about three-fourths, or \$1,500,000, belonged to United States citizens. In January, 1891, the total capital invested in the sugar business was \$33,455,990,

of which \$24,735,610 belonged to United States citizens; increase of sugar property owned by Americans from 1875 to 1891, \$23,235,610. The profits of the sugar business have varied on different estates and in different years, from actual loss, to a profit of \$50 a ton. A conservative estimate of the average profit during the treaty period is \$20 per ton. The total export of sugar from January, 1876, to January, 1891, was 1,002,085 tons. The profit thereon at \$20 a ton amounts to \$20,041,700. The proportion of the total sugar property owned by Americans shown above is 74 per cent., the profits on which amount to \$14,830,858.

A commission of from five per cent. in the earlier periods of the treaty, to one per cent. in the latter, is paid on all sugars sold to San Francisco, to the agents handling it there, in addition to commissions paid the Honolulu agents. The export of sugar has been, as shown above, 1,002,085 tons, which has brought an average price of \$100 a ton, making the total selling price \$100,208,500. Leaving all other exports out of the calculation, this gives a total of commissions collected on sugar alone, by American agents in San Francisco, of \$1,503,000. A further analysis of the commissions collected by American agents in Honolulu would more than double this, as the commission paid there has always been larger than that paid in San Francisco, and the bulk of the crop passes through the hands of Americans. Say, however, that it is no more than the amount collected in San Francisco, and the total commissions collected by American agents on sugar sales during the treaty period amount to \$3,006,000.

In 1875 the total exports from the United States to Hawaii were valued at \$947,260. In 1890 they were valued at \$5,265,051. The total value of all exports from the United States to Hawaii from January, 1876, to January, 1891, was \$47,603,670. There was every indication that but for the Reciprocity Treaty the imports from the United States would have continued to decrease, as they had prior to 1876. If, however, they had continued the same during the sixteen years since 1875, they would have amounted to only \$15,156,160. This shows that by reason of the treaty the United States has exported to Hawaii at least \$32,447,510 worth of goods more than would have been exported without the treaty. It is impossible to say what the exact profit

on these sales has been, but 10 per cent. is a fair minimum, which would give a profit of \$3,244,751.

Since 1875 the inter-island trading fleet has developed from a few schooners and one small steamer, to twenty-two steamers, besides a number of sailing vessels. This increase is due solely to the increase of trade caused by the treaty. During the period mentioned there have been built in the United States and sold to Hawaii nineteen steamers and twenty sailing vessels for the inter-island trade, costing \$1,003,500. During the same period there have been built in the United States, and are now regularly engaged in the Hawaiian foreign trade, under the American flag, three steamers and twenty-three sailing vessels, costing \$2,186,000. In addition to this there are about twelve other American vessels built before the treaty, regularly engaged in the Hawaiian trade, representing an invested capital, in round numbers, of \$450,000, besides a number of transient charters made each year during the sugar season. American ship-builders have therefore built thirty-nine vessels for the inter-island, and twenty-six for Hawaiian foreign trade, a total of sixty-five, which would not have been built but for the treaty, and for which they have received the sum of \$3,189,500. A minimum profit on these transactions would be ten per cent., amounting to \$318,950.

Freights between Honolulu and San Francisco have varied during the treaty period from \$3.50 to \$7 a ton. A conservative average is \$4.50 a ton. The freight on the 1,075,467 tons of rice, paddy, sugar, and molasses, exported during the treaty period, at \$4.50 a ton, comes to \$4,839,601. A conservative estimate of freights on other exports for the same period is \$750,000, a total of \$5,589,601. The freights on imports during the same period are estimated to be larger than those on exports; but calling them the same, we have a total of \$11,179,202 paid as freights on Hawaiian exports and imports during the treaty period. The percentage of Hawaiian exports carried by American vessels during 1890 was 79.24, and of imports, 61.95 per cent. A fair average for the period is, say, 60 per cent. The amount received by American vessels as freight during the treaty period is then 60 per cent. of \$11,179,202, or \$6,707,521. But this is not all. From 32.3 per cent. in 1881 to 15.48 per cent. in 1890, with a fair average of 10 per cent. of foreign freights, have been carried in vessels under the Hawaiian flag.

Of the vessels in the foreign trade under the Hawaiian flag, practically all are actually owned by Americans, the Hawaiian ownership being nominal, to secure Hawaiian registry, the ships being of foreign build and unable to secure American registration. There must then be added to freights received by American vessels, the 10 per cent. freights received by Hawaiian vessels in the foreign trade, or \$1,117,920, making the total of foreign freights received by United States citizens, during the term of the treaty, the sum of \$7,825,441. The capital now invested in inter-island vessels is, in round numbers, \$1,000,000. Of this, \$725,000, or 72 per cent., is owned by Americans. The average profit paid by this business is 12 per cent., or \$120,000 per annum. A fair average for the fifteen years between 1876-1891 would be \$100,000 per annum, equal to \$1,600,000, of which 72 per cent. or \$1,152,000 has been received by Americans.

In 1875 there were, with the exception of a few incorporated sugar plantations, no commercial corporations in Hawaii. In 1890 there were, other than sugar and shipping corporations, forty-three commercial corporations, with a paid up capital stock of \$5,610,421, of which \$3,973,505, or over 70 per cent., was owned by Americans. In addition to this, Americans are the owners of large amounts of other property in Hawaii, almost entirely acquired since 1875. The only method of estimating the value of this is by the tax lists, which credit Americans with paying taxes in 1890 on unincorporated property valued at \$1,399,970. As is the case everywhere, the valuation for taxation purposes is much less than the commercial value of the property; moreover, all taxes paid by children of Americans born at the islands are credited to Hawaiians. The value of unincorporated property, other than sugar plantations, actually owned by Americans and children of Americans in Hawaii, may fairly be estimated at \$5,000,000.

In 1875 the insurance business in Hawaii was scarcely worth considering. During the period from January, 1876, to January, 1890, the premiums collected in Hawaii by American insurance companies have been as follows :

| | |
|---|-----------|
| Fire and marine insurance premiums..... | \$900,410 |
| Life insurance premiums..... | 1,288,940 |

To what dimensions the insurance business has grown, is shown

by the fact that the amount of life insurance alone in American companies, in force in Hawaii during 1890, was \$6,400,000.

RÉSUMÉ OF UNITED STATES GAINS UNDER THE TREATY.

| | |
|---|--------------|
| First—Duties remitted by Hawaii..... | \$3,560,999 |
| Second—Profits made and property acquired by Americans..... | |
| 1. From increase of sugar production: | |
| (1) Increase of sugar property owned by Americans..... | 23,235,610 |
| (2) Profits made by Americans out of sugar..... | 14,830,858 |
| (3) Commissions paid American agents..... | 3,006,000 |
| 2. From increase of exports from the United States to Hawaii, profits on \$32,447,510..... | 3,244,751 |
| 3. From increase in ship-building for Hawaiian trade: | |
| (1) Profit on building vessels for the inter-island trade..... | 100,350 |
| (2) Profit on building vessels for Hawaiian foreign trade..... | 218,600 |
| (3) Value of American shipping engaged in Hawaiian trade..... | 2,636,000 |
| 4. From freights earned by American ships: | |
| (1) Foreign freights..... | 7,825,441 |
| (2) Inter-island freights..... | 1,152,000 |
| 5. Property in Hawaii acquired by Americans: | |
| (1) Incorporated property (other than sugar and ships, which are enumerated above.....) | 3,973,505 |
| (2) Unincorporated property (other than sugar and ships)..... | 5,000,000 |
| 6. Premiums collected by American insurance companies..... | 2,189,350 |
| Total American gains under treaty..... | \$70,973,464 |
| Deduct American losses under treaty..... | 42,680,796 |
| American net profit under treaty..... | \$28,292,668 |

The foregoing does not attempt to enumerate all of the profits made by Americans. The dividends of American stockholders in the commercial corporations other than sugar; the passenger receipts of American ships between the islands and California; the profits made in Hawaii by American merchant on the sale of \$47,600,000 worth of imports from the United States; the subsidies paid by Hawaii to American steamships, these and many other sources of profit, evidently large but not easily reducible to exact figures, are omitted. Another source of evidence that the financial benefits to Americans are herein far under, rather than over, estimated is that the total value of exports of Hawaiian produce during the treaty period, almost all of which has been exported to the United States, has been \$114,705,314. The United States has in return sent to Hawaii goods and ships to the amount of \$47,000,000, and specie to the amount of \$9,655,674.89. The remainder, amounting in round numbers to \$56,500,000, has stopped on the American side of the water to pay for goods bought there; to pay commissions, freight, insurance, travelling expenses, education of island children, and other expenditures, all of which, after deducting the small amount necessary to pay for goods purchased in Europe, has gone to enrich and benefit the United States and its citizens to the amount of profit which they have made on each such transaction.

It is no answer to this showing that Hawaii has also profited by the Treaty ; that her current revenues have increased from \$878,000 in 1875-6 to \$2,817,000 in 1889-90 ; that she has been able to make an immense number of internal improvements, which, but for the prosperity produced by the treaty, would have been impossible; that by the treaty she has been raised from commercial insignificance until she stands second on the list of San Francisco's customers—England only taking precedence. What of it? The fact that Hawaii has also been benefited does not prove the results less valuable to the United States and her citizens.

The foregoing statement partially shows the results of the policy of the United States towards Hawaii up to 1890. By the extension to Hawaii of the benefits of the American protective tariff there has been secured to the United States not only the political advantage which it sought, but, without any effort on its part, there has also been secured an enormous addition to her ship-building and foreign export and carrying trade, and there has been created a prosperous, progressive American community, which is no less American because it is across the ocean and under a tropical sky ; and no less loyal to United States interests because it faithfully supports and upholds the integrity of the friendly government under which it lives. In 1890 the famous tariff bill became law. The fact that Hawaii admitted free entry of United States goods, in consideration of a protected market for her sugars, and that the opening of that market to the world practically cancelled the benefit of the treaty to Hawaii, cut no figure in the great game of politics. The fact that in the faith of the continuance of that protection upwards of \$25,000,000 of American capital had been invested in the protected industry, and that the proposed law cut off all protection at one stroke, hindered the passage of the law no more than a fly on the rim of a wheel impedes the progress of the coach.

About the same amount of American capital invested in the same business in Louisiana received, in lieu of the tariff protection of two cents a pound, a bounty of two cents a pound on its sugars. By the same stroke of the pen that granted Americans in Louisiana this protection, the price of sugar belonging to Americans in Hawaii was reduced in round numbers from \$90 to \$50 a ton. The same amount of sugar produced in Hawaii, that

sold for \$12,159,048 in 1890, will sell for only \$6,963,504 in 1892, a reduction of \$5,195,544, or 42 2-3 per cent., and the effect has been to reduce the selling price to, or less than, the cost of production, on all but a few of the most favorably located plantations. With rare exceptions, plantation stock is unsaleable. It is inevitable, that, if present conditions continue, an immense amount of capital invested, not only in sugar, but in industries subordinate to and dependent thereon, will be lost, and that all values at the islands will suffer seriously. Under the encouragement of the treaty, the energies of the people have been concentrated upon those articles benefited thereby, to the neglect of other products, or the development of new industries. For this reason, the variety of exports is actually less now than in 1876 and the margin of profits on sugar has been about wiped out. This means decreased exports, which in turn means decreased transportation, decreased imports, and general stagnation of business.

If, when the statistics come in, it is shown that the exports and imports from and to the two countries remain the same in 1892 as they were in 1890, the respective advantages of the present treaty to the two governments will be :

Advantage to Hawaii:

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|--|-----------|
| From duties remitted by the United States..... | \$214,931 |
| From duties collected on imports from United States..... | 89,682 |

Total..... \$304,613

Advantage to United States:

| | |
|---|-----------|
| From duties remitted by Hawaii..... | \$397,802 |
| From duties collected on imports from Hawaii..... | 37,724 |

Total..... \$435,526

Excess of advantage to the United States..... 130,913

From the standpoint of justice and good faith toward Hawaii, the present American position is untenable; for, by the treaty, Hawaii is not allowed to grant any special privileges in any of her harbors to any other foreign country, whereby she might take advantage of the peculiar importance of her geographical position and obtain a value in return: nor even to negotiate a commercial treaty with any other country by which reciprocal advantages might be obtained. Meanwhile the United States not only continues to hold the chief advantage of the treaty, but in addition thereto, receives a pecuniary bonus from Hawaii of \$130,000 per annum. Or, in other words, Hawaii is tied to the apron strings of the United States, prevented from helping herself, and pays the United States \$130,000 a year for the privilege. From

the standpoint of protection to American citizens and development of American industries, which is claimed to be the keystone of the present American financial policy, the present American position towards Hawaii does not seem just ; for, on the faith of the protection afforded the sugar industry, American capital was invested in the sugar business in Louisiana, and, when the necessities of the occasion caused a change in the form of the protection, the faith was respected and the same protection afforded in another form. American capital and enterprise, acting on the same faith, pioneered an advance into Hawaii ; built up a friendly political State, and created not only the best customer, for its population, that the United States has, but produced one of the most remarkable exhibitions of creative industrial energy in history.

Hawaii's imports during 1890 were at the rate of \$75 per capita, and exports of domestic produce at the rate of \$144 per capita, or a total foreign trade of \$219 for each man, woman, and child in the country. The exports from Great Britain during 1888 were at the rate of \$31 per capita, and from Canada and the United States during 1889 they were respectively \$40 and \$22 per capita. The value of Hawaiian commerce to the United States is shown by the fact that during 1890 Hawaii's total export and import trade amounted to \$20,105,600, of which \$18,332,000 was with the United States. Its particular importance to the Pacific Coast is shown in the following statement of the foreign trade of San Francisco during the year 1890 :

| | Exports to. | Imports from. | Total. |
|-------------------------|--------------|---------------|--------------|
| Great Britain..... | \$16,998,695 | \$4,685,320 | \$21,684,015 |
| Hawaii..... | 4,179,311 | 12,363,450 | 16,542,761 |
| China..... | 3,114,757 | 5,699,638 | 8,814,395 |
| France..... | 2,182,322 | 1,246,395 | 3,428,717 |
| Central America..... | 1,789,046 | 3,012,517 | 4,801,563 |
| Mex.co..... | 1,570,646 | 800,061 | 2,370,707 |
| Australasia..... | 1,402,316 | 1,195,047 | 2,597,363 |
| Belgium..... | 1,089,066 | 725,875 | 1,814,941 |
| British Columbia..... | 871,613 | 1,570,052 | 2,441,665 |
| Japan..... | 717,362 | 7,847,974 | 8,565,336 |
| East Indies..... | 495,033 | 2,885,737 | 3,380,773 |
| Germany..... | 167,593 | 1,156,008 | 1,323,601 |
| Phillipine Islands..... | 59,637 | 957,954 | 1,017,621 |

The question of what the future policy of the United States towards Hawaii shall be is no longer one in which political advantage to the United States and financial advantage to Hawaii are the only factors, as was the case in 1876 ; for a trade has been built up, property acquired, and interests have become vested, which make the financial effect of the future American policy of more importance to Americans than it is to Hawaiians. For

every dollar that may be lost by Hawaiians by reason of that policy, Americans will lose four fold ; while if, by reason of such policy, Hawaiians are prospered, Americans will benefit far more. In other words, American property interests in Hawaii have become so great that it is no longer a simple question of political advantage to the United States, or of charity or justice to a weak neighbor, which the authorities at Washington have to deal with ; but it is a question involving the fortunes of thousands of their own flesh and blood, and millions of dollars worth of American property.

Since the foregoing was written the logic of events has progressed steadily and rapidly, and the United States Government is now brought face to face with a problem, the solution of which must be reached here and now. If American policy of fifty years ago required that a war with France should be risked to prevent French occupation of the islands ; if in 1876 American policy required the Treaty of Reciprocity to secure and protect the political interests of the United States at the islands ; if in 1882 the suggestion of attempted British predominance at the islands required the emphatic utterances of the United States Foreign Office, which are given above ; then in 1893 the same policy imperatively calls for some substitute for such treaty, not only for the reasons then existing, but for the protection of American interests and property.

The independent Hawaiian Government was created by Americans ; it has been repeatedly preserved from foreign conquest and rescued from internal dissension only by means of the moral and physical support of the United States Government and its troops. In spite of all efforts to carry on an independent government under the monarchical system, the reactionary influences have been too great, and that system has fallen through its own inherent weakness and inability to keep step with nineteenth century progress. It has failed and disappeared, irretrievably, beyond power of resurrection. What is to take its place ? The manifest logical tendency of all the relations heretofore existing between the United States and Hawaii has been towards ultimate political and commercial union. The American origin of Hawaii's civilization, laws and judicial system ; the tendency, from the earliest days, to look to the United States for support, not only against foreign aggression, but in matters of business, commerce and social life as well ; the

all but consummated treaty of annexation of 1854 ; the prophetic utterance of President Johnson in 1868, that "a Reciprocity Treaty would be a guarantee of the good will and forbearance of all nations until the people of the Islands shall of themselves, at no distant day, voluntarily apply for admission into the Union ;" the declaration of General Schofield in 1875 that "We cannot refuse the islands the little aid they need and at the same time deny their right to seek it elsewhere. The time has come when we must secure forever the desired control over those Islands or let them pass into other hands," and the emphatic declaration of Mr. Blaine in 1882 that "If through any cause neutrality should be found by Hawaii impracticable, this government would then unhesitatingly meet the altered situation by seeking avowedly an American solution of the grave issues presented ;" all these steadily point in one direction and one direction only.

The parting of the ways has been reached in Hawaiian and American history. They must from this point on merge into one and jointly enjoy the mutual benefits and advantages arising from such union, or the islands will be compelled in sheer self-defence of elementary liberties and property rights to seek other means for their preservation.

This statement is specifically and intentionally confined to demonstrating the advantages and the logical necessity of annexation from an American standpoint, as this is a point of view which has, as a rule, heretofore been lost sight of in the shadow of what have been considered the greater commercial advantages reaped by Hawaii under the Reciprocity Treaty, which advantages will be increased tenfold under the impulse which will be given to the entire business of the country if annexation becomes an accomplished fact.

When the facts and considerations imperfectly presented in the foregoing statement are carefully reviewed by the people and statesmen of the United States, I do not believe they will allow these islands to be forced, by untoward circumstances, to seek the commercial alliance and political friendship of other nations—America's rivals—thus weakening the ties binding them to the nation to which they have looked with strong confidence and faith for so many years, and losing to the United States the accrued benefits of sixty years of statesmanship.

LORRIN A. THURSTON.

II. IS IT CONSTITUTIONAL ?

BY GEORGE TICKNOR CURTIS.

IN ANSWERING the question, "Can Hawaii Be Constitutionally Annexed to the United States?" I shall maintain the following proposition: That a foreign country cannot be incorporated into the American Union unless two things concur: First, that the foreign country is contiguous to territory of the United States; second, that in the judgment of the people of the United States, as represented by their Government, there is a controlling public necessity for its acquisition. The Constitution of the United States, Art. 4, Sec. 3, contains the two following clauses:

"SEC. 3. 1. New States may be admitted by the Congress into this Union, but no new State shall be formed or erected within the jurisdiction of any other State, nor shall any be formed by the junction of two or more States or parts of States without the consent of the legislatures of the States concerned as well as of the Congress.

"2. The Congress shall have power to dispose of and make all needful rules and regulations respecting the Territory or other property belonging to the United States, and nothing in this Constitution shall be so construed as to prejudice any claim of the United States or of any particular State."

The phrase "New States" in the first of these clauses does not mean foreign States or foreign countries. It means such States as may be formed or erected according to the provisions of both clauses. These are of two kinds: First, those which may be formed by the junction of two or more States or parts of States with the consent of the legislatures of the States concerned as well as of the Congress; second, States to be formed or erected under the territorial clause out of territory belonging to the United States.

At the time when the Constitution was formed and adopted, the United States owned a large tract of country northwest of the river Ohio which had been ceded to them by the State of Virginia. There was also a confident expectation, which was soon realized, that other States would cede to the United States their claims to other unoccupied lands. The territorial clause is therefore to be interpreted by the purposes for which it was framed. It empowered the Congress to dispose of and make all needful rules and regulations respecting the territory or other property belonging or thereafter to belong to the United States. Upon this clause has been built since the year 1787 the whole system of forming States

out of territory belonging to the United States, and under the first clause cited these new States have been brought into the Union.

In addition to the power of Congress to admit new States formed in the manner above described, Congress has power to make war and the President and the Senate have power to make treaties. International wars sometimes result in the territorial conquest of the one country by the other, but the United States has never made a territorial conquest of a foreign country. In the war with Mexico the armies of the United States defeated the Mexican armies in many pitched battles, and Mexico was compelled to sue for peace. By the treaty of Guadalupe-Hidalgo Mexico ceded to the United States large regions of country, out of which there were afterwards formed territories of the United States, some of which were admitted into the Union.

In regard to the acquisition of a foreign country by treaty there are three precedents which settle the meaning of the Constitution in this particular. The first is the case of Louisiana, which was purchased from France during Mr. Jefferson's administration: first, because it was contiguous to territory of the United States; and, secondly, because it was absolutely necessary that the United States should control the mouth of the Mississippi. The second was the case of Texas, which came into the Union under very peculiar circumstances. Texas was originally a province of Mexico. Great numbers of Americans, principally from the Southern and Southwestern States, invaded Texas, revolutionized it, wrested it from Mexico, and made it an independent country. They made it a slaveholding country, and after the lapse of some time the government of Texas sought to have her admitted into our Union. As long as Mr. Webster remained Secretary of State under President Tyler this matter was not broached. Mr. Upsher, of Virginia, succeeded him, but died suddenly in March, 1844. Mr. Calhoun then became Secretary of State. Alarmed at what he believed to be the designs and intrigues of the British Government to effect the abolition of slavery in Texas by inducing its people to change this feature of their constitution, and considering that this change in the institutions of that country would leave the Southern States of this Union on the "exposed frontier" of a free State from which they would be open to the aggressions of the Abolitionists, Mr. Calhoun took up and carried out a new and

secret negotiation that had been begun by his predecessor, Mr. Upsher, by which Texas was to be brought into the Union as a State through the action of Congress instead of having it done by treaty, which had failed. An arrangement to this effect was made with the government of Texas, and the whole project, together with the correspondence which fully disclosed the motive of the proceeding, was suddenly submitted to Congress at the session which began in December, 1844.

These views and apprehensions of Mr. Calhoun were shared by three-quarters of the people of the United States. They were concurred in by the people of the Southern States without distinction of party ; by nearly the whole of the Northern Democracy and by a few, although not all, of the Northern Whigs. It was only a minority of the Northern people which objected to the acquisition of Texas on account of its being a slave-holding country. This was the second precedent which fixed the conditions under which a foreign country can be brought into the Union.

The third precedent was the case of Alaska. Alaska was purchased from Russia, the controlling reasons for its acquisition being : first, to prevent its annexation by any other power ; and, secondly, to secure certain rights in the Behring Sea, especially the right of catching seals.

These three precedents establish the proposition which I laid down at the beginning of this article. They put a construction upon the Constitution which cannot be lightly set aside.

If I am asked why there should not be a new precedent made which will extend the scope of acquiring foreign territory by treaty so as to make it include the acquisition of a foreign country not contiguous to the United States, and not necessary to any interest of the United States, my answer would be twofold : first, that the Constitution has received such an interpretation for a long period of time as would be entirely inconsistent with the making of any such new precedent ; secondly, that if we acquire Hawaii by a construction of the Constitution which is contrary to the long-settled one, there will be no limit to future acquisitions of the same kind. When once the greedy appetite for more territory is excited it will go on, and will "grow by what it feeds on."

Public attention has been directed to the fact that Governor Marcy, who was Secretary of State under President Pierce, authorized the United States Minister at Honolulu to negotiate a

treaty with King Kaméhaméha for the transfer of the sovereignty of the Sandwich Islands to the United States. Before the negotiation could be completed King Kaméhaméha died and his successor did not choose to alienate the sovereignty of the islands. This action of Governor Marcy is cited as if it amounted to a precedent, but Governor Marcy's personal authority cannot overcome the two precedents of Louisiana and Texas which were established before he came into office, or the precedent of Alaska which was established after he left office. Nor can it overcome the precedent of Florida, which was conveyed to the United States by Spain in order to pay certain debts due from Spain to our government and to citizens of the United States.

Mr. Caleb Cushing was Attorney General of the United States when Governor Marcy was Secretary of State. Mr. Cushing was the author of the phrase "manifest destiny of the American people." He meant by it that the people of the United States were "destined" to possess the earth or so much of it as they could get and keep. The phrase "manifest destiny" was never a favorite with considerate people; nor has the sentiment which it expresses given the world at large a pleasant idea of our national character. I also see quoted the following utterance of Mr. Edward Everett, which shows that he too shared with Mr. Cushing his idea of our "manifest destiny:"

"We have no foreign yoke to throw off; but in the discharge of the duty devolved upon us by Providence we have to carry the republican independence which our fathers achieved, with all the organized institutions of an enlightened community, institutions of religion, law, education, charity, art, and all the thousand graces of the highest culture, beyond the Missouri, beyond the Sierra Nevada; perhaps in time around the circuit of the Antilles, perhaps to the archipelagoes of the central Pacific!"

Nothing could be more extravagant than this. Mr. Everett was a scholar and a statesman, but he was very much given to saying and doing things which he thought would get him popularity. I notice that a New York paper claims that Daniel Webster was in favor of acquiring the Hawaiian Islands as a prime duty of American statesmanship. I should be glad to see the proof that Mr. Webster had any such views. On the contrary, I have no doubt that he would under all circumstances have limited such acquisitions to regions of country on the continent of North America, and that he never would have been in

favor of going over the globe and annexing whatever countries we could buy.

But suppose the programme of Manifest Destiny to be carried out in the case of Hawaii, we shall then have Manifest Destiny substituted for the Constitution. It will not be long before we shall acquire numerous foreign countries in different quarters of the globe. Each of these must have a chief executive ruler. He will not be likely to be selected from the aboriginal inhabitants of the country, but he will be an American. Indeed a bill has already been introduced in the Senate of the United States by Senator Morgan looking to indefinite acquisitions of foreign territory and providing—

“That whenever the United States shall acquire dominion over any foreign country or place, by treaty or annexation or otherwise, the President of the United States, with the advice and consent of the Senate, may appoint a Governor for the same and a legislative Council, to consist of any number of persons, not less than five nor more than twenty-five, whose acts shall be subject to revision or repeal by Congress; and, unless the treaty of annexation or cession shall otherwise provide, said Governor and Council shall constitute and conduct all provisional government for such country or place until Congress shall otherwise provide by law.”

These governors will be virtually proconsuls; and as the Roman proconsuls were not scrupulous about the methods by which they enriched themselves, so our American proconsuls will not be too delicate in the same matter. They will be very useful persons in a Presidential election, for they will be able to contribute to the purposes of a political campaign ten times as much money as any other class of officeholders all told.

Suppose, however, that the new precedent is made by the acquisition of Hawaii against the construction of the Constitution, what is the use in having a written constitution, or in having its meaning interpreted by precedents that have been established under it by the constituted authorities of the country? I leave this question to be answered by those whom it concerns. It is to be hoped that before anything else is done there will be a searching Congressional investigation of the circumstances attending the late revolution. It may turn out that it was fomented by interested foreigners and that the leaders of the revolution received improper assistance from the United States authorities.

GEORGE TICKNOR CURTIS.